



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

7500 Security Boulevard
Baltimore, MD 21244-1850

APR 20 2005

Mr. Glenn M. Hackbarth, Chair
Medicare Payment Advisory Commission
601 New Jersey Avenue, N.W., Suite 9000
Washington, DC 20001

Dear Mr. Hackbarth:

Pursuant to our letter sent to you on March 31 with our current estimate of the 2006 physician fee schedule update and conversion factor, we have discovered an error in the table included in Attachment 4 labeled: "Year-to-Year Increase in Expenditures for Imaging Services".

The corrected table is shown below. The corrections only impact the years 2000-2003, not the increase in expenditures for 2003-2004. In this regard, the questions posed in our March 31 letter regarding our interest in understanding these increases remain the same. Furthermore, no other data or analysis in the March 31 letter is changed by this correction. We have included this corrected table on the Centers for Medicare & Medicaid Services Web site (<http://www.cms.hhs.gov/providers/sgr/>).

Year-to-Year Increases in Expenditures for Imaging Services				
	2000-2001	2001-2002	2002-2003	2003-2004
Standard Imaging	18.9%	9.0%	14.0%	18.9%
Advanced Imaging	27.3%	9.0%	19.8%	25.8%
Echography	14.4%	4.0%	12.8%	19.3%
Imaging/Procedure	22.8%	17.7%	21.1%	23.2%

I regret any confusion that may have resulted from the incorrect table contained in the original letter.

Sincerely,

Herb B. Kuhn
Director
Center for Medicare Management